



Administration
& Management

OFFICE OF THE SECRETARY OF DEFENSE
1950 DEFENSE PENTAGON
WASHINGTON, DC 20301-1950

January 9, 1992

ADMINISTRATIVE INSTRUCTION NO. 77

SUBJECT: Civilian Pay Allotments

References: (a) Administrative Instruction No. 77, subject as above, April 23, 1980
(hereby canceled)
(b) DoD Directive 1418.4, "Civilian Pay Allotments," March 16, 1979
(c) Executive Order 12353, "Charitable Fund-Raising," March 23, 1982
(d) Section 7103(a)(4) of title 5, United States Code
(e) through (j), see enclosure 1

1. PURPOSE

This Instruction reissues reference (a) and implements reference (b) to provide policy and guidelines to be used by civilian employees in making pay allotments.

2. APPLICABILITY

The Instruction applies to the Office of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff and the Joint Staff, and the activities assigned to the Washington Headquarters Services for administrative support.

3. POLICY

It is DoD policy that any employee covered by this Instruction may make allotments as specified herein.

4. DEFINITIONS

4.1. Allotment. A recurring, specified deduction from pay authorized by a civilian employee to be paid to an allottee.

4.2. Allottee. The person or institution to whom an allotment is made payable.

4.3. Allotter. The civilian employee from whose pay the allotment is made.

4.4. Combined Federal Campaign. An organization of voluntary health and welfare agencies authorized to solicit charitable contributions in a local area in accordance with arrangements prescribed by the Director of the Office of Personnel Management under E.O. 12353 (reference (c)).

4.5. Continental United States (CONUS). The 48 contiguous States and the District of Columbia.

4.6. Dues. The regular, periodic amount specified by an allotter to be withheld from his or her pay that is required to maintain the allotter as a member in good standing in a labor organization or association of management officials and/or supervisors or other organization.

4.7. Labor Organization. A labor organization as defined by Section 7103(a)(4) of 5 U.S.C. (reference (d)), unless specified otherwise.

4.8. Pay. The net pay due an employee after all deductions authorized by law (i.e., retirement, social security, Thrift Savings Plan, Federal and State withholding taxes, health benefits, group life insurance, charities, loans, allotments, and dues) have been made.

5. PROCEDURES

5.1. Employees wanting to initiate, increase, decrease, or cancel an authorized allotment of pay (except for union dues) may obtain the proper form from the Affirmative Employment, Clerical Placement and Special Programs Office, Room 3A345, (or for SES employees, the Executive Personnel and Classification Division, Room 3C444) Directorate for Personnel and Security, Washington Headquarters Services, Pentagon, Washington, DC 20301. Withholding union dues may be accomplished by completion of a SF 1187, "Request and Authorization for Voluntary Allotment of Compensation for Payment of Employee Organization Dues," which is available from the union involved. Unless otherwise provided for in the labor

agreement, all forms should be turned in to the Labor and Management Employee Relations Division, Room 3B347, Pentagon. Completed allotment forms will be forwarded to the servicing Civilian Payroll Office for processing. An allotment will normally be effective the beginning of the pay period after the pay period in which the allotment is received.

5.2. Authorized Allotments. Allotments may be made for the following purposes:

5.2.1. Support of relatives or dependents of the allotter (through a financial institution).

5.2.2. Savings that may be:

5.2.2.1. Unrestricted as to allottee. Two such SAVINGS allotments may be authorized an eligible employee at any one time. However, an employee MAY NOT have two savings allotments of pay to the same financial institution. The eligibility criteria are specified in subparagraph 5.3.1., below.

5.2.2.2. Allotted to a financial organization for credit to an allotter's savings account, authorized by the TFRM (reference (e)). Only two such allotments, in whole dollars, under this provision shall be allowed to an eligible employee. Eligibility criteria are specified in paragraph 5.3., below. Monies thus credited to the allotter's savings account maybe used for any purpose, in accordance with the intentions and direction of the allotter, as long as that purpose does not circumvent any statute, Executive order, or other applicable regulation. The maximum allotment amount is \$999.00 per pay period.

5.2.3. Payment of commercial insurance premiums on the life of the allotter.

5.2.4. Payment of U.S. Government Life Insurance or National Service Life Insurance premiums.

5.2.5. Voluntary liquidation of indebtedness to the U.S. Government.

5.2.6. Repayment of loans obtained for the purchase of a home.

5.2.7. Payment of certain State and District of Columbia income taxes, as authorized by the OPM Regulation (reference (f)) and the TFRM (reference (e)).

5.2.8. Payment of certain city income taxes, as authorized by references (e) and (f).

5.2.9. Payment of labor organization dues, as authorized by DoD Directive 1426.1 (reference (g)).

5.2.10. Charitable contributions to a Combined Federal Campaign, as authorized by DoD Directive 5035.1 (reference (h)) and DoD Instruction 5035.5 (reference (i)).

5.2.11. Purchase of U.S. savings bonds. Employees normally will be permitted five such allotments at one time.

5.2.12. Payment of dues to a professional or other association. One allotment in a calendar year may be made by an employee to an association when the association:

5.2.12.1. Provides some worthwhile function or service that would contribute to the Agency's mission and programs, or to the morale and welfare of the Agency's employees. (See DoD Instruction 5010.30, reference (j).)

5.2.12.2. Has a sufficient number of members who request withholding dues to justify the administrative arrangements required; that is, a minimum of either 50 participants or 1 percent of the total number paid by the payroll office. This criterion may be waived by the Assistant Secretary of Defense (Force Management and Personnel) (ASD(FM&P)) for associations of supervisors, when circumstances warrant.

5.2.12.3. Is not a labor organization eligible for recognition under DoD Directive 1426.1 (reference (g)), does not have the characteristics or purposes of a labor organization, and is not affiliated with a labor organization or federation of labor organizations.

5.2.12.4. Is a lawful, nonprofit organization. The organization's constitution and bylaws must indicate that the organization subscribes to certain minimum standards of fiscal responsibility and employs democratic principles in the nomination and election of officers.

5.2.12.5. Does not discriminate about the terms or conditions of membership because of race, color, creed, sex, age, national origin, marital status, or physical handicap.

5.2.12.6. Does not advocate, and has not assisted or participated in, a strike, work stoppage, or slowdown against the Government of the United States or any Agency of the Government, nor impose a duty or obligation of its members to conduct, assist, or participate in such a strike.

5.2.12.7. Does not advocate the overthrow of the constitutional form of Government in the United States.

5.2.12.8. Agrees to reimburse the United States for the full cost of establishing the allotment and of making payment to the organization. Such costs shall not be passed on to the employee by any special charge or assessment in excess of that paid by other members. This reimbursement may be waived, in whole or in part, by the ASD(FM&P) for associations of supervisors, when warranted.

5.2.12.9. Meets any additional criteria imposed by the Military Departments, Defense Agencies, or by the individual payroll offices.

5.3. Eligibility Rules. Eligibility for making an allotment is dependent on such factors as residence of employee, place of employment, and type of allotment desired. The specific rules listed in subparagraphs 5.3.1. through 5.3.6., below, are summarized in enclosure 2. That enclosure is in general terms and for general guidance only. The specific eligibility rules are as follows:

5.3.1. An employee may make an allotment of pay, as provided in 5.2.1., 5.2.2.1., 5.2.3. through 5.2.6., 5.2.10., 5.2.11., and 5.2.12., above, when the employee is:

5.3.1.1. Assigned to a post of duty outside the CONUS;

5.3.1.2. Working on an assignment away from his or her regular post of duty, when the assignment is expected to continue for 3 months or more; or

5.3.1.3. Serving as an officer or crew member of a vessel under the control of the Federal Government.

5.3.2. An employee whose place of employment is within the CONUS may authorize an allotment of pay as provided in 5.2.2.2., 5.2.5., 5.2.10., 5.2.11., and 5.2.12., above.

5.3.3. An employee employed outside of, but a resident of, a State (or the District of Columbia) with which the Department of the Treasury has entered into an agreement to withhold income taxes from the pay of employees, in accordance with the

procedures prescribed in the TFRM (reference (e)), may make an allotment of pay for the purpose specified in subparagraph 5.2.7., above.

5.3.4. An employee employed in, or a resident of, a city with which the Department of the Treasury has entered into an agreement to withhold city income taxes, in accordance with the procedures prescribed in the TFRM (reference (e)), may make an allotment of pay for the purpose specified in subparagraph 5.2.8., above.

5.3.5. An employee who meets the eligibility requirements prescribed in DoD Directive 1426.1 (reference (g)) may make an allotment of pay for the purpose specified in subparagraph 5.2.9., above.

5.3.6. An employee who meets the eligibility requirements prescribed in DoD Directive 5035.1 (reference (h)) may make an allotment of pay for the purpose specified in subparagraph 5.2.10., above.

5.4. Emergency Allotments. Allotments may be authorized to become effective during an emergency evacuation, in accordance with the OPM Regulation (reference (f)); such allotments will not become effective until an evacuation order has been issued.

5.5. Allotment Limitations

5.5.1. A power of attorney shall not be accepted to establish, change, or discontinue an allotment.

5.5.2. Allotment payments shall be made in accordance with the established schedule, provided such allotment checks are not issued until the related earnings have accrued.

5.5.3. Except as provided by subparagraphs 5.2.2. and 5.2.11., above, a DoD employee shall not have more than one allotment payable to the same allottee at the same time.

5.5.4. Allotments shall not exceed the pay due to the allotter.

5.6. Discontinuance of Allotments. Allotments shall be discontinued:

5.6.1. Upon receipt of:

5.6.1.1. Notice of retirement, separation, or death of the allotter;

5.6.1.2. Notice that the allotter has been placed in an extended leave-without-pay status;

5.6.1.3. Written notice from the allotter, unless this right is otherwise restricted by law;

5.6.1.4. Notice of death of the allottee;

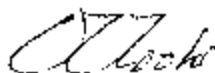
5.6.1.5. Notice that the whereabouts of the allottee is unknown; or

5.6.1.6. Upon receipt of an SF-1188, "Cancellation of Payroll Deductions for Labor Organization Dues," providing the requirements of the labor organization have been complied with (i.e., a minimum of 1 year since the withholding of dues began).

5.6.2. When the conditions under which an allotment was permitted no longer exist.

6. EFFECTIVE DATE

This Instruction is effective immediately.



D. O. Cooke
Director
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Enclosures - 2

E1. References, continued

E2. Allotments of Pay Table

E1. ENCLOSURE 1

REFERENCES, continued

- (e) Treasury Fiscal Requirements Manual (TFRM) for Guidance of Departments and Agencies (Volume 1, Part 3, "Payrolls, Deductions and Withholdings")¹
- (f) Office of Personnel Management (OPM) Regulation, "Allotments and Assignments from Federal Employees," January 9, 1981 (5 CFR 550.301)
- (g) DoD Directive 1426.1, "Labor-Management Relations in the Department of Defense," November 10, 1988
- (h) [DoD Directive 5035.1](#), "Fund-Raising Within the Department of Defense," August 28, 1990
- (i) [DoD Instruction 5035.5](#), "DoD Combined Federal Campaign - Overseas Area," August 17, 1990
- (j) DoD Instruction 5010.30, "Intramangement Communications and Consultation," May 2, 1989

¹ Available from the Department of the Treasury. To be included on the mailing list, call Ms. Gladys Jennings at (202) 208-1819.

E2. ENCLOSURE 2ALLOTMENTS OF PAY TABLEALLOTMENTS OF PAY

	Support of Dependents	Savings Financial Institution Account	Commercial Life Insurance	National Service & Gov't Life Insurance	Indebtedness to U.S. Government	Home Loan Repayment	State Income Tax	City Income Tax	Labor Organization Dues	Combined Federal Campaign	Savings Bonds	Professional & Other Associations
Allotment of pay may be authorized for the purpose indicated at right when an employee:												
is assigned to a post of duty outside the U.S., away from regular duty post over 3 months, or on duty on a vessel under U.S. Government control	X	X		X	X	X					X	X
is working within the United States			X		X						X	X
is working outside State of residence and U.S. Government has withholding agreement							X					
is working or living in a city with which U.S. Government has withholding agreement								X				
is a member of a labor and/or employee organization for which employer has agreed to collect dues									X			
is working in an area participating in a Combined Federal Campaign										X		